THE HON'BLE SRI JUSTICE L.NARASIMHA REDDY

WRIT PETITION No.27694 of 1997

Date: 28.02.2007

Between:

M/s. Singareni Steel Pvt. Limited.

....Petitioner

And

The A.P.State Electricity Board, rep., by its Secretary, Vidyut Soudha, Somajiguda, Hyderabad and others.

....Respondents

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O R D E R:

Petitioner is a mini steel plant registered as a small scale industry. It was established in the year 1986 and has gone into commercial production in the year 1988. At the relevant point of time, the first respondent herein formulated a policy, extending 25% concession on the tariff to such industries, for a period of five years from the date of commercial production. Disputes arose as to the eligibility of the petitioner to avail the benefit. Writ Petition No.5746 of 1988 was filed, when the petitioner was not extended such a benefit. Ultimately, the writ petition was allowed on 14.08.1986 holding that the petitioner is entitled for the benefit of concessional tariff for a period of three years.

By the time the relief was granted to the petitioner, it availed the benefit of concessional tariff, for a period of three years four months. In the name of collecting the

differential amount, the respondents raised a demand, through their letter, dated 04.06.1997 for a sum of Rs.15,87,584/-. On a representation, dated 14.06.1997, made by the petitioner, pointing out certain mistakes as to calculation, the amount was slashed down to Rs.10,37,844/- through their letter, dated 16.06.1997. On a further representation, the amount was reduced to Rs.7,72,307/-, vide proceedings, dated 16.07.1997. The petitioner paid the said amount on 14.08.1997. Hardly within two months, the respondent demanded a sum of Rs.12,27,362/- as additional charges, through their proceedings, dated 08.10.1997, which are attributable to the delayed payment of an amount of Rs.7,72,307/-. The same is challenged in this writ petition.

This Court upheld the power of respondents to levy additional charges, for the delayed payment of any amounts, on the strength of orders passed by the Court. One significant aspect, which needs to be taken into account in this case, is that the respondents went on making incorrect demands towards the differential amount and twice, the figure had to be corrected. The petitioner paid the amount soon after the correct figure emerged. If the respondents are of the view that the petitioner is liable to pay any additional charges, the same ought to have been demanded along with the differential amount of

Rs.7,72,307/-. It needs to be noted that the additional charges are a form of interest and demand of interest separately after the principal amount is paid, is somewhat unknown to law. In a way, it may lead to a situation similar to waiver.

Be that as it may, the petitioner had already paid half of the amount demanded through the impugned proceedings. Till recently, it was a sick industry. It can be extended the benefit of installments in paying the balance amount, without any further liability to pay interest or additional charges.

Hence, the Writ Petition is disposed of, directing that the petitioner shall be entitled to pay the balance of the amount in three bi-monthly installments, first of which shall be paid on 15.03.2007, without any further liability to pay interest or additional charges, on the said amount. There shall be no order as to costs.

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28.02.2007

JSU